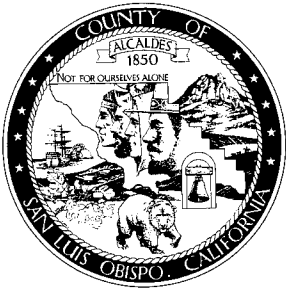


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services	(2) MEETING DATE June 6, 2006	(3) CONTACT/PHONE Duane P. Leib cm/rn (805) 781-5200	
(4) SUBJECT Resolution of Necessity for the San Luis Obispo County Regional Airport Runway 11-29 Extension Project including Land for Approach Protection Purposes. Approval of a Land Purchase in the amount of \$1,150,000 from San Luis Obispo County Regional Airport Enterprise Fund Cost Center 4250500000.			
(5) SUMMARY OF REQUEST Approval of the Resolution of Necessity will allow the County to acquire necessary real property through eminent domain proceedings for the purpose of extending Runway 11-29 and approach protection at the San Luis Obispo County Regional Airport. Approval of the Land Purchase will authorize the necessary funds in the amount of \$1,150,000 from the Airports Enterprise Fund Cost Center 4250500000 to be used for said purchase.			
(6) RECOMMENDED ACTION It is recommended that your Board conduct the public hearing and approve the subject Resolution of Necessity by a 2/3's vote of the full Board. In addition, it is recommended your Board approve by a 4/5's vote the land purchase in the amount of \$1,150,000, and that the Auditor-Controller be directed to issue a check to the Superior Court of the State of California for said amount for said purchase.			
(7) FUNDING SOURCE(S) Airports Enterprise Fund Cost Center 4250500000	(8) CURRENT YEAR COST \$1,150,000	(9) ANNUAL COST \$1,150,000	(10) BUDGETED? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel, Auditor-Controller, County Clerk-Recorder			
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____			
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input checked="" type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All	(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board N/A
(16) AGENDA PLACEMENT <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)		(17) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A	
(18) NEED EXTRA EXECUTED COPIES? <input checked="" type="checkbox"/> Number: <u>4</u> <input type="checkbox"/> Attached <input type="checkbox"/> N/A		(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) <u>N/A</u>	(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input checked="" type="checkbox"/> N/A Date _____
(23) ADMINISTRATIVE OFFICE REVIEW <div style="text-align: center; margin-top: 20px;"> <i>Ok Leslie Bon</i> </div> <div style="text-align: right; margin-top: 20px;"> <i>C-4</i> <i>(6.6.06)</i> </div>			



COUNTY OF SAN LUIS OBISPO

Department of general services

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5200

DUANE P. LEIB, DIRECTOR

TO: BOARD OF SUPERVISORS

**FROM: *D. Leib*
DUANE P. LEIB, GENERAL SERVICES DIRECTOR**

DATE: JUNE 6, 2006

**SUBJECT: RESOLUTION OF NECESSITY FOR THE SAN LUIS OBISPO COUNTY
REGIONAL AIRPORT RUNWAY 11-29 EXTENSION PROJECT
INCLUDING LAND FOR APPROACH PROTECTION PURPOSES,
SUPERVISORIAL DISTRICT NO. 3**

**APPROVAL OF A LAND PURCHASE IN THE AMOUNT OF \$1,150,000
FROM SAN LUIS OBISPO COUNTY REGIONAL AIRPORT
ENTERPRISE FUND COST CENTER 4250500000**

RECOMMENDATION

It is recommended that your Board conduct the public hearing and approve the subject Resolution of Necessity by a 2/3's vote of the full Board. In addition, it is recommended that your Board approve by a 4/5's vote the land purchase in the amount of \$1,150,000, and that the Auditor-Controller be directed to issue a check to the Superior Court of the State of California for said amount for said purchase.

DISCUSSION

The San Luis Obispo County Regional Airport Runway 11-29 Extension Project involves securing property rights from various parcels for the purposes of extending the runway, Santa Fe Road realignment, runway approach protection and for related public uses and purposes. The proposed runway extension project is planned for summer construction. Before the project can begin, all necessary real property interests must be obtained. State guidelines provide the County the right to implement eminent domain proceedings to secure the necessary real property rights, under the authority of Government Code sections 25350.5, 26060 and 50470.

On April 11, 2006 County staff made an offer to purchase APN 076-371-012 based on the fair market appraised value of that property. A copy of the offer letter and the related valuation statement from the independent appraiser is attached hereto. County representatives have engaged in negotiations with the property owners for the purchase of the property. However, those negotiations were unsuccessful. On May 24, 2006, County staff provided the property owners with a notice of the hearing on the Resolution of Necessity. A copy of this notice letter is also attached

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The Final Environmental Assessment/Environmental Impact Report (FEA/EIR) (ED No. 05-404) issued for the San Luis Obispo County Regional Airport Master Plan Update has been previously certified by the Board in a Resolution number 2006-194 adopted on May 23, 2006. That FEA/EIR evaluated the alternatives and impacts of the present project. Also, on May 23, 2006, the Board adopted in Resolution number 2006-195 the Final Airport Master Plan for the County of San Luis Obispo Regional Airport. The present acquisition is consistent with the Master Plan and presents the option that is most compatible with the greatest public good and the least private injury.

Pursuant to Code of Civil Procedure 1240.030, your Board must consider all of the relevant issues before allowing the power of eminent domain to be exercised. Your Board is requested to make the following findings:

- a. Whether the public interest and necessity require the proposed project;
- b. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- c. Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project.
- d. Whether the offer required by Govt. Code §7267.2(a), together with the accompanying statement and summary of the basis for the amount established as just compensation, was actually made to the property owners and whether said offer and statement/summary were in a form and contained all of the factual information required by Govt. Code §7267.2(a), a copy of which is attached hereto.
- e. Whether the County has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the property described herein, as well as any other matter regarding the right to take said property by eminent domain.
- f. Whether the County has statutory authority to acquire the property by eminent domain.
- g. Whether the County has fully complied with the California Environmental Quality Act for the proposed project.

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Board of Supervisors
June 6, 2006
Page three

Hearing time has been reserved on behalf of the property owner and/or his representative to allow an opportunity to speak to these relevant issues. The subject of compensation is not an issue that is being addressed at this hearing. The Department of General Services will continue the real property negotiations with the property owner through any legal proceedings.

Code of Civil Procedure 1245.240 requires a 2/3's vote of the full Board for the adoption of this resolution. Pursuant to Federal Aviation Administration requirements, a professional real property appraisal firm appraised the subject parcel. Additionally, an appraiser independent of the appraisal firm hired by the County performed a review appraisal. The County has prepared to contract for the specialized legal services of Daley & Heft Legal Offices, for the purpose of acquiring in the County's name, said property by eminent domain proceedings. As part of these proceedings, it is necessary for your Board to direct the Auditor-Controller issue a check to the Superior Court of the State of California pending possession of the property.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the subject resolution. Upon adoption of the resolution, a certified copy will be filed together with the appropriate legal documents within the Superior Court of the State of California.

FINANCIAL CONSIDERATIONS

The land acquisition in the amount of \$1,150,000 is funded by the Federal Aviation Administration (95%) and Passenger Facility Charges (5%). Your Board approved the budget and funding source for the project during the 04-05-budget process. By direction from your Board, the funds for purchase of the land will be withdrawn from the San Luis Obispo County Regional Airport Enterprise Fund Cost Center 4250500000. Estimated cost of the real property is \$1,150,000.

RESULTS

Approval of the Resolution of Necessity will allow the County to acquire through eminent domain proceedings, the real property rights necessary for the Runway 11-29 Extension Project and provide for runway approach protection. It will implement a necessary step to meet the goals recently established by the Board in its adoption of the Final Airport Master Plan for the County of San Luis Obispo Regional Airport. The action of your Board will ensure a safe, livable and prosperous community.

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IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

6th day of June, 2006

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

**RESOLUTION OF NECESSITY FOR THE SAN LUIS OBISPO
COUNTY AIRPORT RUNWAY 11- 29 EXTENSION PROJECT
SUPERVISORIAL DISTRICT NO. 3**

The Board of Supervisors of the County of San Luis Obispo, State of California, does hereby resolve as follows:

1. The County of San Luis Obispo desires to acquire certain real property described below for public use by its exercise of the power of eminent domain.
2. The County of San Luis Obispo intends to construct a project that includes the extension San Luis Obispo County Airport Runway 11-29 and related public uses and purposes; to implement the public improvements identified in the Final Airport Master Plan for the County of San Luis Obispo Regional Airport as adopted in Resolution number 2006-195 on May 23, 2006; and, to carry out and make effective the principal purposes of said project pursuant to Code of Civil Procedure section 1240.120(a).
3. The County of San Luis Obispo is authorized to acquire the property described herein and to exercise the power of eminent domain for the public use set forth herein in accordance with the California Constitution and the California Eminent Domain Law, Code of Civil Procedure section 1230.010 et seq. and pursuant to inter alia, sections 1240.010, 1240.110, 1240.120, 1240.510, 1240.610 and 1255.410 of the California Code of Civil Procedure, and pursuant to the authority granted in Government Code sections 25350.5, 26020 and 50470.
4. Pursuant to Code of Civil Procedure section 1245.235, written notice of the intent to consider the adoption of this resolution of necessity was sent on May 24, 2006, to the owners of record of said property. Said Notice of Hearing was also mailed to all persons whose names appear on the last equalized County Assessment Roll as having an interest in the subject real property to the address

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appearing on said Roll. Said Notice of Hearing advised said persons of their right to be heard on the matters referred to therein, pursuant to and consistent with Code of Civil Procedure sections 1240.030 and 1245.230, on the date and at the time and place stated therein. Said notice also advised the property owners that time had been reserved on the Agenda so that they and/or their representative could speak regarding the adoption of this resolution.

5. The real property to be acquired is described as:

Parcel 1 as shown on Parcel Map No. COAL-76-101, in the County of San Luis Obispo, State of California, according to map recorded October 8, 1976, in Book 21, Page 6 of Parcel Maps.

A map generally depicting this property is attached hereto and marked as Exhibit

A. This property is also generally described as Assessor's Parcel No. 076-371-012. Said real property is located entirely within the County of San Luis Obispo, State of California.

6. The Board of Supervisors of the County of San Luis Obispo has determined that all requirements of the California Environmental Quality Act and the Public Resources Code have been met. The Final Environmental Assessment/Environmental Impact Report (FEA/EIR) (ED No. 05-404) issued for the San Luis Obispo County Regional Airport Master Plan Update had been previously certified by Resolution number 2006-194 adopted on May 23, 2006.

7. The hearing set out in said Notice of Hearing was held on June 6, 2006, at the time and place stated therein, and all interested parties were given an opportunity to be heard. The hearing was then closed.

Based upon the evidence presented, **IT IS HEREBY FOUND AND DETERMINED** by at least a two-thirds vote of this entire Governing Board that:

1. The public interest and necessity require this proposed project, as above described.

2. The proposed project is planned and located in the manner that is most compatible with the greatest public good and the least private injury.

3. The property described hereinabove and generally depicted on the map shown on Exhibit "A" attached hereto and made a part hereof is necessary for the proposed project.

4. The offer required by section 7267.2(a) of the Government Code, together with the accompanying statement of and summary of the basis for the amount established as just compensation, was made to the owner or owners of record, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures provided by Government Code section 7267.2(a).

5. All conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the property described herein have been complied with by the County of San Luis Obispo.

6. The County of San Luis Obispo hereby further finds and declares that that the acquisition by condemnation action of the subject property is in conformity with the Final Airport Master Plan for the County of San Luis Obispo Regional Airport as adopted by Resolution number 2006-195 on May 23, 2006, which Plan is incorporated herein by reference.

7. The use for which the subject property is to be taken is a more necessary public use than that to which the property is currently appropriated and the taking is for either a compatible or more necessary public use consistent with and authorized by Code of Civil Procedure sections 1240.510 and 1240.610.

8. The County Counsel of the County of San Luis Obispo, and/or its special legal counsel Daley & Heft, LLP, are hereby AUTHORIZED and EMPOWERED:

a. To acquire in the name of the County of San Luis Obispo, by condemnation, the property described hereinabove and generally depicted on the map shown on Exhibit "A" and incorporated herein by this reference in accordance with the provisions of the California Eminent Domain Law and the Constitution of California;

b. To acquire the property in fee simple absolute;

c. To prepare or have prepared and to prosecute in the name of the County of San Luis Obispo such proceedings in the proper court as are necessary for such acquisition;

d. To deposit the probable amount of compensation, based on an appraisal, and to apply to said court for an order permitting the County of San Luis Obispo to take immediate possession and use of said property for said public uses and purposes.

9. The Director of General Services is hereby authorized and directed to execute all documents and papers necessary for the initiation, processing and completion of an eminent domain proceeding for the acquisition of the real property described hereinabove and generally depicted on the map shown in Exhibit "A", attached hereto.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted.

ATTEST:

Chairperson of the Board of Supervisors

Clerk of the Board of Supervisors

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:
JAMES B. LINDHOLM, JR.
County Counsel

By: 
Deputy County Counsel

DATED: 5/25/06

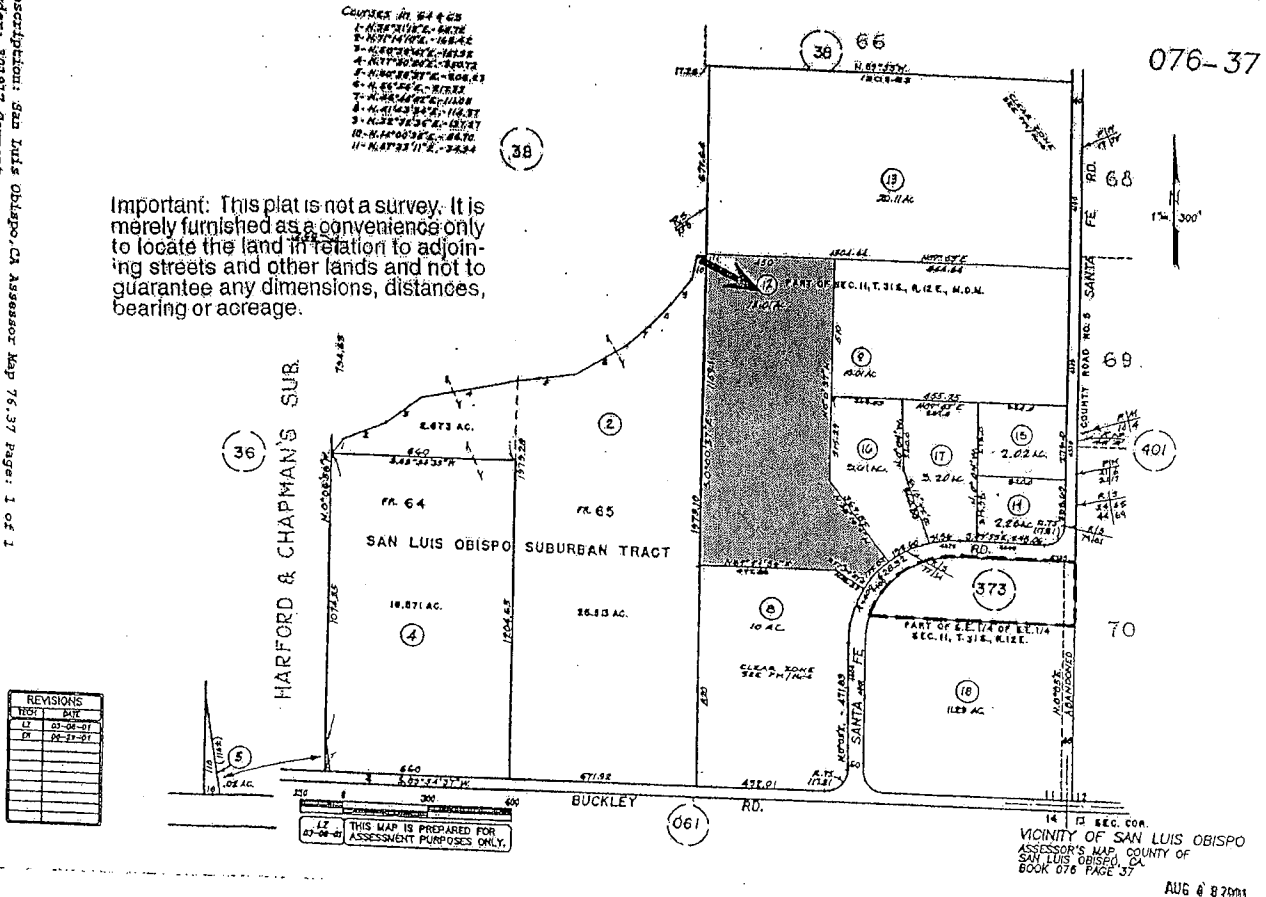
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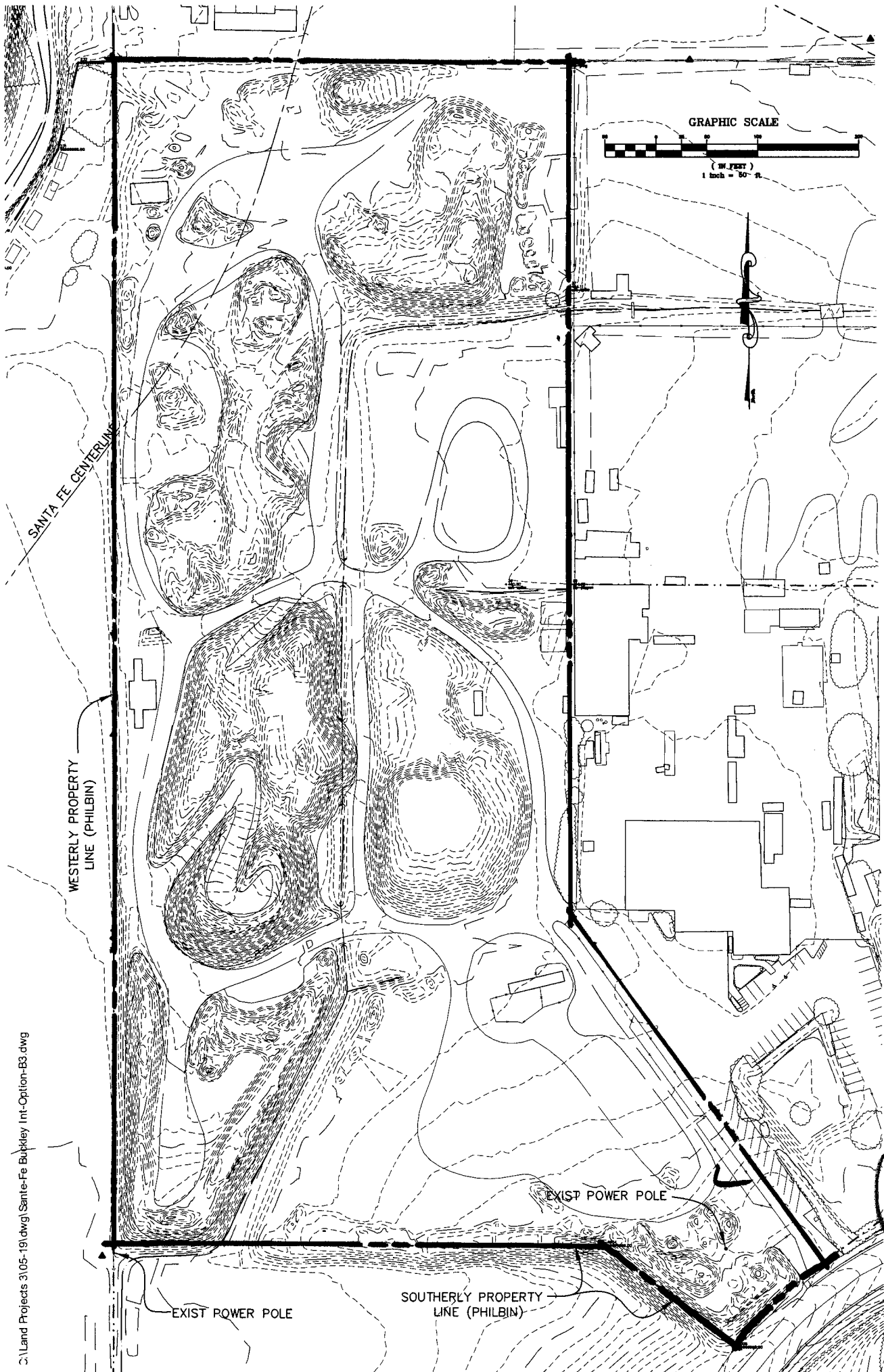
EXHIBIT A

Description: San Luis Obispo, CA Assessor Map 76.37 Page: 1 of 1
Order: 303917 Comment:

Important: This plat is not a survey. It is merely furnished as a convenience only to locate the land in relation to adjoining streets and other lands and not to guarantee any dimensions, distances, bearing or acreage.

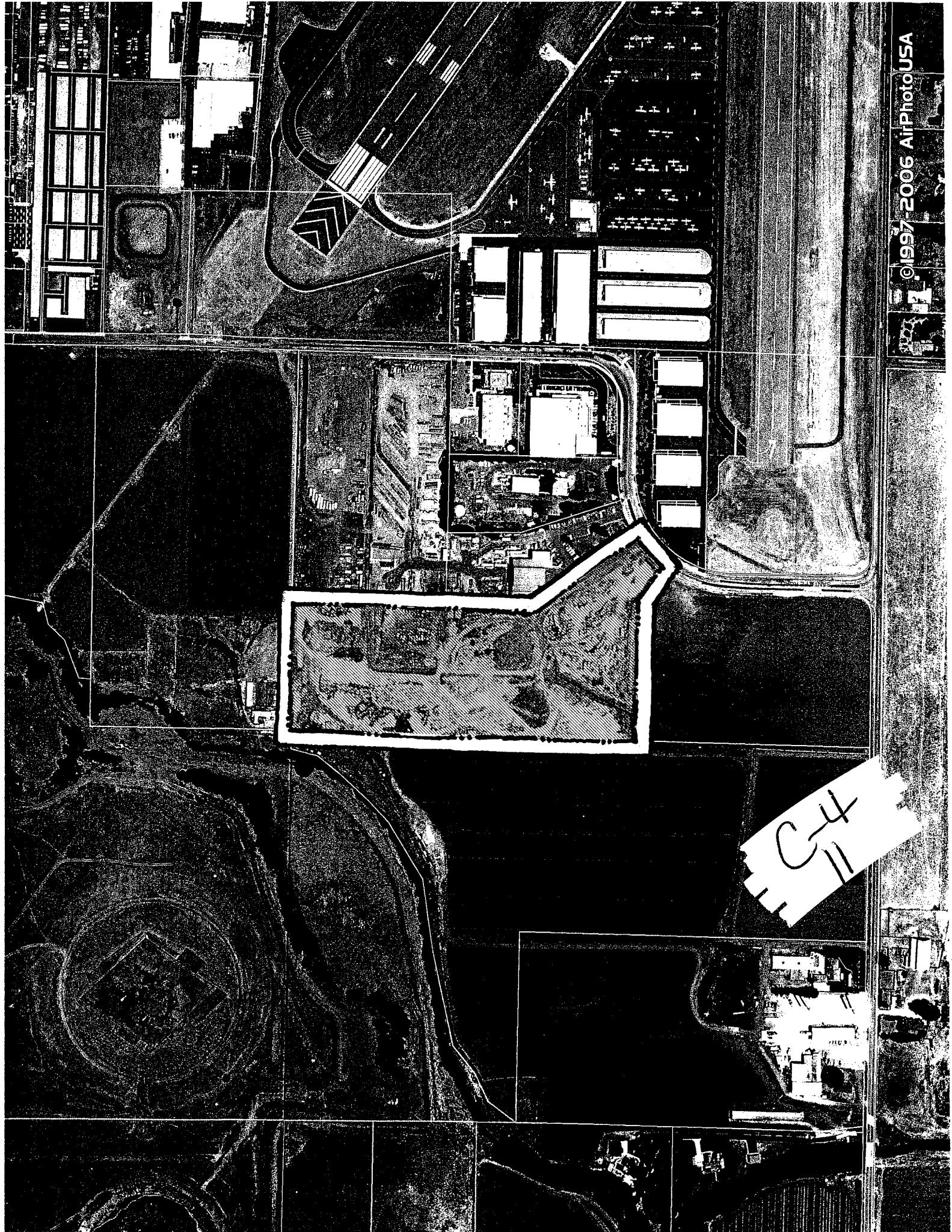


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OVERLAND
PACIFIC &
CUTLER, INC.

7901 Oakport Street, Suite 4800
Oakland, CA 94621
510.638.3081 ph
510.638.0750 fax
www.OPCservices.com

April 11, 2006

James P. and Carol F. Filbin
4398 Santa Fe Road
San Luis Obispo, CA 93401-8160

Re: **OFFER TO PURCHASE**
4398 Santa Fe Road
Assessor's Parcel Number: 076-371-012

Dear Mr. and Mrs. Filbin:

We are addressing this letter to you because you are shown as the fee title owners of the property on a preliminary title report. If our information is incorrect, please let us know as soon as possible.

The County of San Luis Obispo is proposing to make improvements to the San Luis Obispo County Regional Airport. The staff of the Department of General Services is proposing to recommend to the Board of Supervisors that the above-referenced property be acquired for this project.

The property proposed to be acquired is described as follows:

Parcel 1 as shown on Parcel Map No. COAL-76-101, in the County of San Luis Obispo, State of California, according to map recorded October 8, 1976 in Book 21, Page 6 of Parcel Maps. (Assessor's Parcel No.: 076-371-012)

The County has retained the services of Overland, Pacific & Cutler, Inc. (OPC) to facilitate the acquisition process.

It is our sincere desire that the fee simple interest discussed herein can be acquired amicably, expeditiously, and by negotiation, pending approval of the Board.

To this end, Section 7267.2(a) of the California Government Code provides that prior to initiating negotiations for the acquisition of real property, the County must (i) make an offer to the owner to acquire the property for the full amount that the County has established as "just compensation," which offer is for an amount not less than the County's appraisal of the fair market value of the property, and (ii) provide the owner with a written statement of, and summary of the basis for, the amount that the County established as "just compensation."

As you know, Schenberger, Taylor, McCormick & Jecker, Inc., an independent real estate appraisal firm, was retained to estimate the "Fair Market Value" of the proposed acquisition, as that value is defined in Section 1263.320 of the California Code of Civil Procedure. The appraiser's fair market value estimate for the property to be acquired is shown on the Statement of Valuation Data, enclosed with this letter. On the basis of this independent fee appraisal, we have determined that the just compensation for the land and improvements to be acquired is \$1,150,000.

We would like to commence discussions to acquire your property for this fair market value. However, nothing in this letter will pre-commit the County or the County's Board of Supervisors and no decision to acquire your property can be finalized unless, and until, the Board of Supervisors formally acts to approve the acquisition. Any agreement or escrow created hereby will be contingent upon the property being free and clear of all liens, leases, adverse encumbrances, conditions, covenants, restrictions and environmental conditions which would affect the marketability or value of the property.

As shown in the Statement of Valuation Data, the appraiser has made an adjustment to value based on the existence of known hazardous material on the property. The offer assumes that there is no additional hazardous material on the property. The term "hazardous material" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5

(Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. S1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. S6901 et seq. (42 U.S.C. S6903) or (xi) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42. U.S.C. S6901 et seq. (42 U.S.C. S6901).

The fair market value set forth in the attached Statement of Valuation Data:

1. Represents the full amount that the County established as just compensation, which may be subject to reduction for currently unknown environmental contamination on the property;
2. Does not include any reduction for the amount of any Tenant Leasehold Bonus value;
3. Does not include any decrease or increase in the fair market value of the property caused by the public improvement for which the property is to be acquired or the likelihood that the property would be acquired for a public improvement;
4. Does not include any physical deterioration within the reasonable control of the Owner or occupant; and
5. Does not reflect any consideration or allowance for any relocation assistance and payments or other benefits that the Owner may or may not be entitled to receive under an agreement with the County.

I look forward to meeting with you on Friday April 14th at 10:30am. In the mean time, if you need additional information, please give me a call at 510.638.3081.

Sincerely,



David Richman
Regional Director

c: Wiley Ramey, Esq.

Enclosures:

Statement of Valuation Data
Exhibit A - Subject Property Overview
Exhibit B - List of Principal Transactions
Property Valuation Recap
Property Valuation Summary
Informational Brochure

Acknowledged and Received:
(Receipt of Offer Does Not Constitute Acceptance)

JAMES P. FILBIN

Signed: _____ Date: _____

CAROL F. FILBIN

Signed: _____ Date: _____

*Presented P. Filbin
to James P. Filbin
4/14/06.
Refused to sign*

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Freda

Faye Turner

From: customercare@overniteexpress.com
Sent: Wednesday, April 12, 2006 12:58 PM
To: Faye Turner
Subject: Overnite Express Delivery Confirmation

Here is the delivery confirmation that you requested:
Delivery Address: 1 Mustang Drive, San Luis Obispo, 93405 Delivery Name: Carolyn Filbin
Delivery Company: Mustang Village Office Received By: sago Delivery Time: 04/12/2006
09:20 am Shipment #: 15042-000160-V10
Your Billing Reference (Optional):

Overnite Express now delivers to Arizona. Ship today to the Grand Canyon State using your favorite overnight delivery company.

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15042-000160-V10

Morning Overnite - A



SPECIAL INSTRUCTIONS: Signature Required

Number of Pieces: 1

Bill To:15042 **Date:** 4/11/2006
From:Faye Turner
Overland, Pacific, & Cutler, Inc.
7901 Oakport St., Ste.
Ste:4800
Oakland , CA 94621

Billing Reference:

To:Carolyn Filbin
Mustang Village Office
1 Mustang Drive
Ste:
San Luis Obispo , CA 93405
8057832500

Signature Required

Please fold this page in half and place it in the pouch on your shipment. Only one copy is required by Overnite Express.
WARNING: Use only the printed label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with cancellation of your Overnite Express account or OverniteShip Online Profile. Shipments with invalid account or credit card numbers will not be delivered.

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STATEMENT OF VALUATION DATA
Code of Civil Procedures Section 1258.26

PROJECT NAME: San Luis Obispo County Airport/Filbin Property Acquisition

SUBJECT PROPERTY OWNERS: James and Carol Filbin

SUBJECT PROPERTY ADDRESS: 4398 Santa Fe Road, San Luis Obispo, California

APPRAISER'S NAME: Todd O. Murphy, MAI

ADDRESS: 1306 Higuera Street, San Luis Obispo, California

BASIS OF VALUATION: Fair market value as defined in CCP Section 1263.320

VALUATION RECAP:

If called as a witness, I will testify to the matters and opinions set forth in subdivisions (a), (b), and (c) herein.

(a) Conclusions

- | | | |
|----|--------------------------------------|---------------|
| 1. | Fair market value of the part taken: | \$1,150,000 |
| 2. | Amount of severance damage: | n/a |
| 3. | Amount of benefits: | n/a |
| 4. | Total: | \$1,150,000 |
| 5. | Description of subject parcel: | See Exhibit A |

- (b) My conclusion is based, in part, on the opinion of Mr. Greg Frick of A.J. Diani Construction Company, Inc., regarding the impact on the property associated with the existing stockpiled material.

(c) Basic Data and Opinions

- | | | |
|----|---------------------------------------|---|
| 1. | Estate of interest valued: | Fee simple subject to existing encumbrances of record |
| 2. | Date of valuation: | January 17, 2006 |
| 3. | Highest and best use of the property: | Agriculture |

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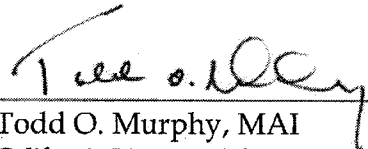
STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

- | | | |
|----|--|---|
| 4. | The applicable zoning and opinion of probability of zone change: | Present zone Agricultural - San Luis Obispo County. No zone change anticipated in the foreseeable future. Possible long-range rezoning to Industrial. |
| 5. | Market data are attached hereto: | Exhibit B |
| 6. | Replacement cost less depreciation: | n/a |
| 7. | Income capitalization: | n/a |

I, Todd O. Murphy, MAI, have read the above Statement of Valuation data and it fairly and correctly states my opinions and knowledge as to the matters therein stated.

March 30, 2006


Todd O. Murphy, MAI
California License #AG002286

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

EXHIBIT A
Subject Property Overview

ADDRESS: 4398 Santa Fe Road, San Luis Obispo, California

APN: 076-371-012 - San Luis Obispo County

PARCEL SIZE: 13.01 acres

PROPOSED ACQUISITION: Entire property

BRIEF PROPERTY DESCRIPTION: The subject property is a 13.01-acre parcel located west of the San Luis Obispo County Airport. It is a mostly level parcel, with an onsite drainage swale. This site features access from Santa Fe Road, a paved, public road.

This property has been operated for many years as an unpermitted recycling and storage facility, primarily for stockpiled concrete, asphalt, and soil, as well as scrap metal, wood, inoperative vehicles, etc.

The property is zoned Agriculture within the County of San Luis Obispo jurisdiction.

Exhibit A-1

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.



STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

EXHIBIT B
List of Principal Transactions
Filbin Property

Primary Comparable Properties

Sale 1	South Higuera Street, San Luis Obispo
APN:	076-061-076
Grantor:	Herb Filippini
Grantee:	Kelly Gearhart
Date of Transfer:	April 29, 2004
Recording Data:	Document No. 2004-035798
Sale Price:	\$1,000,000
Land Area:	20.05± acres
Shape:	Irregular
Sale 2	South line of Evans Road, San Luis Obispo
APN:	076-282-010
Grantor:	Lillian Harvey
Grantee:	Pal Nirupam
Date of Transfer:	June 15, 2004
Recording Data:	Document No. 2004-52031
Sale Price:	\$510,000
Land Area:	2.50 acres
Shape:	Rectangular
Sale 3	O'Connor Way and Partner Road, San Luis Obispo
APN:	067-062-008
Grantor:	M. Downs, et al
Grantee:	S. Migliaccio, et ux
Date of Transfer:	June 30, 2004
Recording Data:	Document No. 2004-067810
Sale Price:	\$735,000
Land Area:	9.00 acres
Shape:	Irregular

Exhibit B-1

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.



**SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA**

Sale 6	Tiffany Ranch Road, San Luis Obispo
APN:	044-232-061
Grantor:	Irene Bottrell Trust
Grantee:	D.W. August Company
Date of Transfer:	February 18, 2005
Recording Data:	Document No. 2005-13436
Sale Price:	\$999,500
Land Area:	10.00± acres
Shape:	Irregular

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

Sale 7 Via Laguna Vista, San Luis Obispo (Lot 32 Tract 2270)
APN: 067-221-044
Grantor: Todd Newman, et ux
Grantee: Walt A. Melton, et ux
Date of Transfer: July 15, 2005
Recording Data: Document No. 2005-58019
Sale Price: \$695,000
Land Area: 3.01 acres
Shape: Irregular

Sale 8 1025 Rimrock Lane, San Luis Obispo
APN: 044-491-047
Grantor: Andrew Blodgett
Grantee: Alan Little Custom Homes
Date of Transfer: July 15, 2005
Recording Data: Document No. 2005-057591
Sale Price: \$1,365,000
Land Area: 10.00 acres
Shape: Irregular

Exhibit B-3

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

SAN LUIS OBISPO RURAL AGRICULTURAL/ESTATE HOMESITE SALES
COMPARABLE DATA TABLE
JANUARY 2006

Land Sale	Date	Price	Acres	Topography	Views	Water	Price per Acre
1	4-04	\$1,000,000	20.05±	Gently rolling	Good	On-site well	\$ 49,875
South Higuera Street, between US Highway 101 and Jespersen Road, San Luis Obispo; APN 076-061-076; rural estate homesite next to San Luis Obispo Creek; 40-gpm well; electric power nearby; Herb Filipponi to Kelly Gearhart; Document No. 2004-35798							
2	6-04	510,000	2.50	Level	Good	Well	204,000
Evans Road, San Luis Obispo; APN 076-282-010; 2.5 acres of level land; located just north of the San Luis Obispo Golf Course and Country Club; full utilities; Lillian Harvey to Pal Nirupam; Document No. 2004-52031							
3	7-04	735,000	9.00	Gently rolling	Panoramic of hills	Well	81,667
Northwest corner of O'Connor Way and Partner Road; APN 067-062-008; vacant parcel with frontage on Partner Road (private drive), as well as O'Connor Way (paved, public road); on-site well, power, and utilities; septic percolation test; M. Downs, et al, to S. Migliaccio, et ux; Document No. 2004-67810							
4	10-04	1,000,000	10.00	Gently sloping	Valley, city	2 wells	100,000
5170 Orcutt Road, San Luis Obispo; APN 044-052-034; panoramic views of the Edna Valley and vineyards; rolling terrain; electric, telephone, and two wells on-site; E.K. Corey to Anthony & Associates; Document No. 2004-95047							
5	12-04	995,000	21.06	Gently rolling	Average rural	Well	47,246
541 Patchett Road, Arroyo Grande; APN 044-261-039; rural property located next to Cold Canyon Landfill; private road; 40-gpm well; old improvements of nominal contribution; Craig Rulison to Kevin Eldredge; Document No. 2004-113383							
6	2-05	999,500	10.00±	Level to rolling	Hill, valley	Well	99,950
Tiffany Ranch Road, east of Corbett Canyon Road, Arroyo Grande; APN 044-232-061; vacant, buildable site in Tiffany Ranch Estates; rural views of Edna Valley; well on-site; Irene Bottrell Trust to D.W. August Company; Document No. 2005-13436							
7	7-05	695,000	3.01	Sloping	Good	Community	230,897
Via Laguna Vista, San Luis Obispo; APN 067-221-044 (Lot 32, Tract 2270); part of a new, custom, tract-home development; vacant estate homesite; located near Los Osos Valley Road; property crossed by drainage easement and drainage swale; full public utilities underground; net acreage is 2.73± acres; sale and relisting; Todd Newman, et ux, to Walt Melton, et ux; Document No. 2005-58019							

Exhibit B-4

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

SAN LUIS OBISPO RURAL AGRICULTURAL/ESTATE HOMESITE SALES
COMPARABLE DATA TABLE, CONTINUED

Land Sale	Date	Price	Acres	Topography	Views	Water	Price per Acre
8	7-05	\$1,365,000	10.00±	Mostly steep	Excellent	Well	\$136,500
1025 Rimrock Lane, San Luis Obispo; APN 044-491-047, located in San Luis Obispo Country Club; gated entry; hilltop location with excellent views of the country club, golf course, and Edna Valley; Andrew Blodgett to Alan Little Custom Homes; Document No. 2005-57591							

Exhibit B-5

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

FILBIN PROPERTY VALUATION RECAP

Direct Sale Comparison Valuation

The Filbin property is valued by direct comparison with sales of Agriculture-zoned rural estate homesite parcels. These properties have sold between April 2004 to July 2005. They range in size from 2.50 to 20.05± acres, and in price from \$49,875 per acre for 20.05± acres up to \$230,897 per acre for a 3.01-acre parcel. The 10.00-acre parcels sold for \$99,950 and \$100,000 per acre.

The subject property is valued at \$100,000 per acre, before adjustments for additional valuation factors.

Additional Valuation Factors

Future Zone Change

This location suggests a possibility of future zone change and general plan amendment to Industrial (a more valuable use); however, this is an uncertain process and outcome given the agricultural land protection policies of San Luis Obispo County.

This is a positive impact on the property.

60 dB Noise Contour Line

The subject property is located entirely within the 60 dB noise contour line as established by the San Luis Obispo County Airport Land Use Plan. Noise-sensitive uses, such as residential uses, are not permitted within this boundary, which is a significant restriction affecting this property.

This represents a negative impact on the property.

On balance, the potential for future zoning change and the 60 dB noise control restriction are considered to be roughly offsetting.

Onsite Material Stockpile

A September 30, 2005, report and finding by the California Integrated Waste Management Board (CIWMB) stipulates an 18-month period to process and remove the

Exhibit B-6

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.



STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

onsite material stockpile, or by about May 1, 2007. This was amended by a letter issued by the CIWMB, dated January 5, 2006, granting a 90-day continuance of the hearing until April 2006.

The information provided by Mr. Greg Frick of A.J. Diani Construction Company, Inc., suggests that the onsite stockpiled material can be relocated at no net cost to the property owner, based on current and anticipated demand for recycled fill material.

The onsite material could be removed within 6 to 12 months, depending upon fill material demand.

A deferred-use adjustment is estimated based on a 9-month deferral at 10% per year, equals a present worth factor of 0.9280, or roughly a 7% discount. This is applied to the land value for not being able to use the property while the onsite stockpiles remain. This also considers some degree of risk and uncertainty associated with resolving the onsite stockpiles, as well as possible unknown risks affecting the property due to this condition (including possible CIWMB compliance issues, etc.).

Onsite Hazardous Materials - Cost to Cure

Padre Associates estimates an approximate cost to remove 55-gallon drums and mitigate some onsite soil contamination at \$61,820±.

Outstanding Tax Liens, Judgments, Etc.

The title report identifies various outstanding tax liens, judgments, unpaid property taxes, etc.

No adjustment to the fair market value was made to account for these outstanding claims on the property.

Shared Access Driveway

The estimated market value reflects the shared use with the adjacent property of the onsite access driveway. This is considered to be a nominal impact.

Exhibit B-7

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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STATEMENT OF VALUATION DATA
TODD O. MURPHY, MAI

SAN LUIS OBISPO COUNTY AIRPORT/
FILBIN PROPERTY ACQUISITION
4398 SANTA FE ROAD
SAN LUIS OBISPO, CALIFORNIA

FILBIN PROPERTY VALUATION SUMMARY

Land Valuation by Direct Comparison
13.01 acres x \$100,000

\$1,301,000

Future Zone Change Potential: Positive
60 dB Noise Contour Line: Negative
Roughly Offsetting

0

Stockpiled Material Removal Cost

0

Deferred-Use and Risk Adjustment on Land Value
9 months @ 10% = 0.9280, or a 7%± discount

- 91,070

Hazardous Material Cost to Cure

- 61,820

Net Land Value
Rounded

\$1,148,110
\$1,150,000

Outstanding Liens - No adjustment in fair market value is made for any outstanding tax liens, judgments, etc.

Exhibit B-8

SCHENBERGER, TAYLOR, McCORMICK & JECKER, INC.

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COUNTY OF SAN LUIS OBISPO
Department of general services

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5200
DUANE P. LEIB, DIRECTOR

May 24, 2006

James P. and Carolyn J. Filbin
4398 Santa Fe Road
San Luis Obispo, CA 93401-8160

RE: Board Hearing for Resolution of Necessity
4398 Santa Fe Road
Assessor's Parcel Number: 076-371-012

Dear Mr. and Mrs. Filbin:

This letter is being addressed to you because your name and address appears on the last equalized county assessment roll as the fee title owners of 4398 Santa Fe Road. If this information is incorrect, please let me know as soon as possible.

On April 14, 2006, the County of San Luis Obispo, through specialist consultant Dave Richman of Overland, Pacific & Cutler, Inc. met with you to discuss an Offer to Purchase (dated April 11, 2006) the property described below:

Parcel 1 as shown on Parcel Map No. COAL-76-101, in the County of San Luis Obispo, State of California, according to map recorded October 8, 1976, in Book 21, Page 6 of Parcel Maps. (Assessor's Parcel No. 076-371-012)

(A map generally depicting this property is enclosed with this letter.)

It is my understanding that you have been involved in negotiations with Mr. Richman since that initial offer was made. However, you have not been able to reach any agreement regarding the property described above.

Accordingly, this letter is to inform you that on Tuesday, June 6, 2006, a board hearing is scheduled for a Resolution of Necessity regarding your property. The hearing will be held in the County Government Center Board of Supervisors Chambers located at 1055 Monterey Street in San Luis Obispo. By Board resolution, public hearings are scheduled to start at 9:00 a.m. Information regarding the order in which your hearing has been placed on the Board Agenda of June 6 will be available on Wednesday, May 31, 2006, through the County Administrative Office, also located at 1055 Monterey

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James P. and Carolyn J. Filbin
Re: Board Hearing for Resolution of Necessity
May 24, 2006
Page 2

Street, Fourth Floor, in San Luis Obispo. Additionally, agenda packets are available at the county libraries, including the SLO City/County Library located at 995 Palm Street in San Luis Obispo, and the SLO Law Library located at 1050 Monterey Street, Room 125. Another alternative is to access the Board of Supervisors' weekly agenda and staff reports at the following Web site, www.countyofslo.org.

Approval of the Resolution of Necessity will allow the County to acquire your property through eminent domain proceedings. Time has been reserved on your behalf to allow you and/or your representative an opportunity to speak to the matter.

You have a right to appear and be heard before the Board at the above scheduled hearing on the following matters and issues, and to have the Board give judicious consideration to your testimony prior to deciding whether or not to adopt the proposed Resolution of Necessity:

- a. Whether the public interest and necessity require the proposed project;
- b. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- c. Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project.
- d. Whether the offer required by Govt. Code §7267.2(a), together with the accompanying statement and summary of the basis for the amount established as just compensation, was actually made to you and whether said offer and statement/summary were in a form and contained all of the factual information required by Govt. Code §7267.2(a), a copy of which is enclosed herewith.
- e. Whether the County of San Luis Obispo has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the property described herein, as well as any other matter regarding the right to take said property by eminent domain; and
- f. Whether the County of San Luis Obispo has statutory authority to acquire the property by eminent domain.

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James P. and Carolyn J. Filbin
Re: Board Hearing for Resolution of Necessity
May 24, 2006
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If you elect not to appear and be heard in regard to compensation, your nonappearance will not be a waiver of your right to claim greater compensation in a court of law. The amount to be paid for the property will not be considered by the board at this hearing.

However, if you elect not to appear and not to be heard, your failure to appear will be a waiver of your right to later challenge the right of the County of San Luis Obispo to take the property by eminent domain.

This Notice is not intended to foreclose future negotiations between you and the representatives of the County on the amount of compensation to be paid for your property. I encourage you to share with David Richman or me any settlement proposal that you may have about your property. All offers will be seriously considered.

Please be advised that if the Board of Supervisors elects to adopt the Resolution of Necessity, the County will promptly commence eminent domain proceedings in Superior Court. In accordance with section 1245.260 of the Code of Civil Procedure, such action would be filed and served no later than six months after the adoption of the Resolution.

In the eminent domain proceeding, the Court will determine the amount of compensation to which you are entitled.

Should you have any additional questions, please call me at 781-5901.

Sincerely,



Caryn Maddalena
Real Property Manager

Enclosure
Hand delivered 5/24/06
By certified mail

cc: Klaasje Nairne, Airports Manager
Rita Neal, Deputy County Counsel

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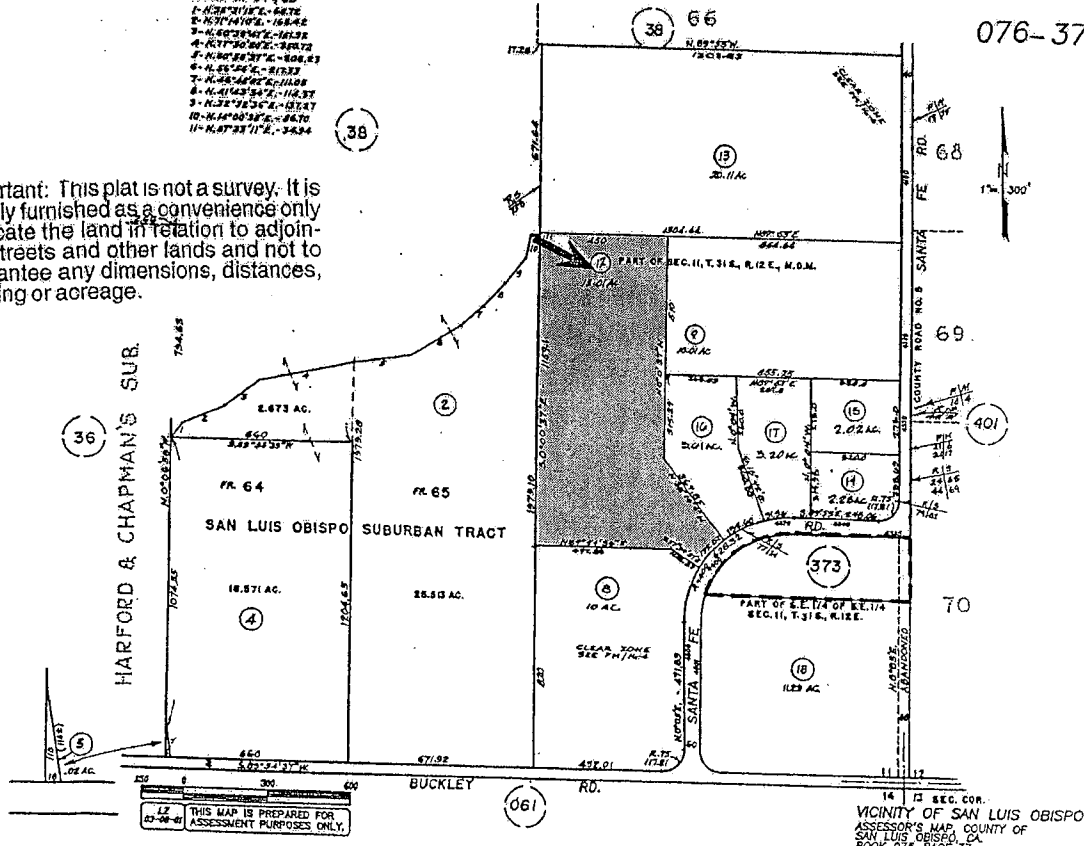


Description: San Luis Obispo, CA Assessor Map 76.37 Page: 1 of 1
Index: 301917 Comment:

Important: This plat is not a survey. It is merely furnished as a convenience only to locate the land in relation to adjoining streets and other lands and not to guarantee any dimensions, distances, bearing or acreage.

COURSES IN 64 & 65
1- N. 88° 31' 18" E. - 66.75
2- N. 57° 14' 18" E. - 16.842
3- N. 50° 34' 42" E. - 161.32
4- N. 77° 50' 00" E. - 304.72
5- N. 80° 58' 24" E. - 804.83
6- N. 85° 06' 00" E. - 815.33
7- N. 85° 48' 00" E. - 1118.8
8- N. 81° 18' 54" E. - 116.35
9- N. 32° 28' 56" E. - 131.27
10- N. 16° 00' 58" E. - 86.70
11- N. 67° 33' 11" E. - 34.94

REVISIONS	
NO.	DATE
12	03-06-01
13	06-21-01



14 13 SEC. COR.
VICINITY OF SAN LUIS OBISPO
ASSESSOR'S MAP, COUNTY OF
SAN LUIS OBISPO, CA
BOOK 076 PAGE 37
AUG 6 82001

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GOVERNMENT CODE SEC. 7267.2

7267.2. (a) Prior to adopting a resolution of necessity pursuant to Section 1245.230 of the Code of Civil Procedure and initiating negotiations for the acquisition of real property, the public entity shall establish an amount which it believes to be just compensation therefor, and shall make an offer to the owner or owners of record to acquire the property for the full amount so established, unless the owner cannot be located with reasonable diligence. The offer may be conditioned upon the legislative body's ratification of the offer by execution of a contract of acquisition or adoption of a resolution of necessity or both. In no event shall the amount be less than the public entity's approved appraisal of the fair market value of the property. Any decrease or increase in the fair market value of real property to be acquired prior to the date of valuation caused by the public improvement for which the property is acquired, or by the likelihood that the property would be acquired for the improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant, shall be disregarded in determining the compensation for the property.

(b) The public entity shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation. The written statement and summary shall contain detail sufficient to indicate clearly the basis for the offer, including, but not limited to, all of the following information:

(1) The date of valuation, highest and best use, and applicable zoning of property.

(2) The principal transactions, reproduction or replacement cost analysis, or capitalization analysis, supporting the determination of value.

(3) Where appropriate, the just compensation for the real property acquired and for damages to remaining real property shall be separately stated and shall include the calculations and narrative explanation supporting the compensation, including any offsetting benefits.

(c) Where the property involved is owner occupied residential property and contains no more than four residential units, the homeowner shall, upon request, be allowed to review a copy of the appraisal upon which the offer is based. The public entity may, but is not required to, satisfy the written statement, summary, and review requirements of this section by providing the owner a copy of the appraisal on which the offer is based.

(d) Notwithstanding subdivision (a), a public entity may make an offer to the owner or owners of record to acquire real property for less than an amount which it believes to be just compensation therefor if (1) the real property is offered for sale by the owner at a specified price less than the amount the public entity believes to be just compensation therefor, (2) the public entity offers a price which is equal to the specified price for which the property is being offered by the landowner, and (3) no federal funds are involved in the acquisition, construction, or project development.

(e) As used in subdivision (d), "offered for sale" means any of the following:

(1) Directly offered by the landowner to the public entity for a specified price in advance of negotiations by the public entity.

(2) Offered for sale to the general public at an advertised or published, specified price set no more than six months prior to and still available at the time the public entity initiates contact with

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the landowner regarding the public entity's possible acquisition of the property.

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